VZCZCXRO4138 PP RUEHLMC DE RUEHLP #2415 2501920 ZNY CCCCC ZZH P 071920Z SEP 06 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 0450 INFO RUEHAC/AMEMBASSY ASUNCION 6076 RUEHBO/AMEMBASSY BOGOTA 3395 RUEHBR/AMEMBASSY BRASILIA 7245 RUEHBU/AMEMBASSY BUENOS AIRES 4511 RUEHCV/AMEMBASSY CARACAS 1776 RUEHPE/AMEMBASSY LIMA 1811 RUEHMN/AMEMBASSY MONTEVIDEO 3991 RUEHQT/AMEMBASSY QUITO 4411 RUEHSG/AMEMBASSY SANTIAGO 8980 RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEBAAA/DEPT OF ENERGY WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RHEHNSC/NSC WASHINGTON DC

CONFIDENTIAL LA PAZ 002415

STPDTS

SIPDIS

E.O. 12958: DECL: 09/07/2016 TAGS: <u>ECON PGOV PREL BL</u>

SUBJECT: THE MEDIA LUNA STRIKE: WHICH SIDE WILL BLINK

FIRST?

REF: LA PAZ 02393

Classified By: Amb. David N. Greenlee for reasons 1.4 (b) and (d).

- 11. (C) Summary: In response to growing ruling party intransigence in the Constituent Assembly charged with writing Bolivia's new constitution, the largely "media luna" (Santa Cruz, Tarija, Beni, and Pando) based opposition has called a regional general strike for September 8th (reftel 02393). Embassy officer met separately with several eastern opposition political leaders to discuss their plans for the general strike. The three leaders stated that the strike will be successful throughout the eastern departments and could even spill over into parts of Cochabamba and Chuqisaca. They argued that radical elements are driving the MAS and its positions, and believed that the strike would be an effective response to the MAS' refusal to compromise. Our contacts had no clear picture of the way forward following the strike. End summary.
- 12. (C) Claudio Mansilla (former Trade Minister and Podemos campaign manager, soy bean producer and current President of the Private University of Santa Cruz), told us that the "media luna" strike is not the solution to the Constituent Assembly,s problems but he argued that it is warranted given the situation. Mansilla averred that his business colleagues in the highlands do not support the strike and are just happy not to have blockades in La Paz since Morales took office; nonetheless, the strike will succeed. Mansilla believes Morales will be unwilling to compromise on the simple majority issue because of pressures from his radical power base. Mansilla said he does not have a good feel for which side will blink first.
- 13. (C) Michiaki Nagatani (MNR Congressman from Santa Cruz and former Presidential candidate) on the other hand, argued that Morales will eventually compromise. Nagatani predicts the strike will be very successful and cause Morales to step back. Nagatani noted increasing discontent within the MAS party, with some members of the MAS discreetly reaching out to opposition party members. Nagatani argued that the president is increasing moving towards second-guessing his ministers. He noted that the Ministry of the Presidency has started to send an "emissary" to all congressional meetings

involving ministers to report back what the various ministers are telling members of congress. This is a sign, Nagatani felt, that the president was losing confidence in his own team's ability to manage the government.

- 14. (C) Congressman Rodrigo Ibanez (Podemos from Tarija) was more pessimistic; he expressed a growing fear of the possibility of violence, and claimed that he and other opposition congressman have received threats from elements associated with the MAS. He believes that radical elements within the MAS party are forcing the government to harden its position at every turn and will continue to push the division between the east and west. Eastern Bolivian opposition figures realize that the "media luna" would not be a viable independent country, but fear Bolivia,s deterioration into "another Cuba". Fearful that Bolivian democracy is eroding, Ibanez would like international organizations to send observers, but was vague about how that would help.
- ¶5. (C) Comment: None of the "media luna" contacts we pulsed talked of independence, although the frustration level is extremely high. All our contacts agreed that Morales and his MAS party remain intent at stoking the flames of confrontation. In this regard, we note that the president has accused the opposition of separatism and threatened investigations of thouse participating in the strike. Podemos Senator Ortiz told us September 7 that "preparations are all set" and he expects "massive participation". The September 8 strike will be a test of wills as well as rhetoric. End Comment.

GREENLEE